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# **New shipping service to boost port container traffic by 10%**

## **Hapag-Lloyd to begin calling on Baltimore in February**

The Baltimore Sun

By Candus Thomson,  
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One of the world's largest container companies chose Baltimore over other East Coast cities as its first U.S. stop for direct shipping from Northern Europe after a long courtship by Maryland officials and private business leaders.

The service by Hapag-Lloyd AG, which starts in February, will boost container traffic at the port of Baltimore by roughly 10 percent, increasing the number of waterfront jobs and further raising the region's profile within the maritime industry, state officials said.

"An agreement like this is very difficult to land in a lousy world economy," said James White, executive director of the Maryland Port Administration. "This is very good news."

A spokesman for the Virginia-based American Association of Port Authorities agreed.

"In this economy, that's a big deal, a reason to celebrate," said Aaron Ellis of the projected 10 percent increase in container traffic. "It's not just an expansion of an existing relationship, it's a whole new relationship for them."

The agreement was hailed by Gov. Martin O'Malley, who called it "outstanding news" for the port's workforce and evidence that the state's financial investment in the port was worth it.

Hapag-Lloyd, based in Hamburg, Germany, is the fifth-largest container company in the world. It has a fleet of 140 ships and moves nearly 5 million containers annually. The firm operates in 114 nations, according to its website. By adding the company, the port of Baltimore can boast of having three of the world's top five container companies using its terminals.

Being the first U.S. port of call means Baltimore will get the lion's share of manufactured goods being offloaded and will be the conduit for U.S. goods destined for Central America and farther south, White said.

"It is a growing, emerging market in the world economy," he said of the Central and Latin American markets.

South America is the destination for 19 percent of the port's exports, while Europe accounts for 47 percent of imports.

Hapag-Lloyd's new route, called "Gulf of Mexico Express," will begin in England and make stops in France, Belgium and Germany before coming to Baltimore. From here, ships will make two stops in Mexico, then travel north to Houston, New Orleans and Charleston, S.C.

For stevedores and other workers at the Seagirt Marine Terminal, operated by Ports America Chesapeake, the additional containers will serve as a warmup for the expected arrival of the so-called post-Panamax ships, the world's largest cargo vessels that will use the Panama Canal after a widening project is completed in 2014.

"We all know that once the Panama Canal is done we're going to get a lot more container traffic than what we're handling today. But we didn't want to rest on that," White said. "Our short-term goal was to get a carrier that we didn't have in our business portfolio to come here now so they could see how good we are."

Baltimore had been trying for years to woo Hapag-Lloyd. About three months ago, the company called to say it was rearranging its shipping schedule and had an opening for an Atlantic port.

Expecting intense competition from other East Coast ports, a team that included Ports America Chesapeake and CSX as well as the port of Baltimore made a presentation to Hapag-Lloyd, White said.

Ports America was able to emphasize the deep-water, post-Panamax berth and cranes, its efficiency in unloading ships and the open land next to Seagirt, on which a warehouse could be constructed. CSX outlined its \$160 million commitment to finishing the National Gateway rail project, which will allow double-stacked freight trains to deliver goods to the Midwest.

Port officials promoted Baltimore's proximity to interstates and its national standing. The port is ranked 13th among 44 U.S. ports in tons of cargo handled. It leads the nation's ports in a number of categories, including farm and construction equipment, trucks and imported iron ore. It ranks second in coal exports and second in auto tonnage.

"We worked as partners and it paid off," White said.